

090003818

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB-07/12/18-2103

ELECTIONS, UNIT: 826641

(hereinafter "Subject Drilling Unit")

TAX MAP IDENTIFICATION NUMBERS:

TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS  
AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBITS (S) B  
WHICH IS/ARE ATTACHED TO AND A PART OF THIS ORDER.

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on January 15, 2008 and recorded instrument # 080000278 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on January 23, 2008 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
  - (a) The Board Order directed Chesapeake Appalachia LLC, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
  - (b) The designated operator filed its affidavit of mailing dated February 19, 2008, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;

- (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated September 4, 2008, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;
  - (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
  - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Wachovia Bank, N.A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (540) 563-7764, Attn: Judy Barger, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, N.A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (540) 563-7764, Attn: Judy Barger, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that true and correct copy of this Order to each person whose interest or claim is subject to escrow and whose address is known.
5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
6. Effective Date: This Order shall be effective on the date of its execution.



DONE AND EXECUTED this 24 day of Nov., 2009, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 24 day of Nov, 2009, by Order of the Board.

David E. Asbury, Jr.  
David E. Asbury, Jr.  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 24<sup>th</sup> day of November, 2009, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared David E. Asbury, Jr., being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board that they executed the same and were authorized to do so.

Diane J. Davis  
Notary Public  
Registration No. 174394  
ID # 174394  
COMMONWEALTH OF VIRGINIA

My commission expires 9/30/13.

**VIRGINIA:**

***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Chesapeake Appalachia LLC for Forced Pooling of Interests in Unit Number 826641, VGOB Docket No. VGOB-07/12/18-2103 in the Knox Magisterial District of Buchanan County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

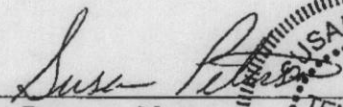
That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;

The Affiant states that all parties who were pooled under this docket number have since entered into voluntary leases, thus eliminating the need for forced pooling.

Dated at Kingsport, Tennessee, this 4<sup>th</sup> day of September 2008.

  
\_\_\_\_\_  
Affiant

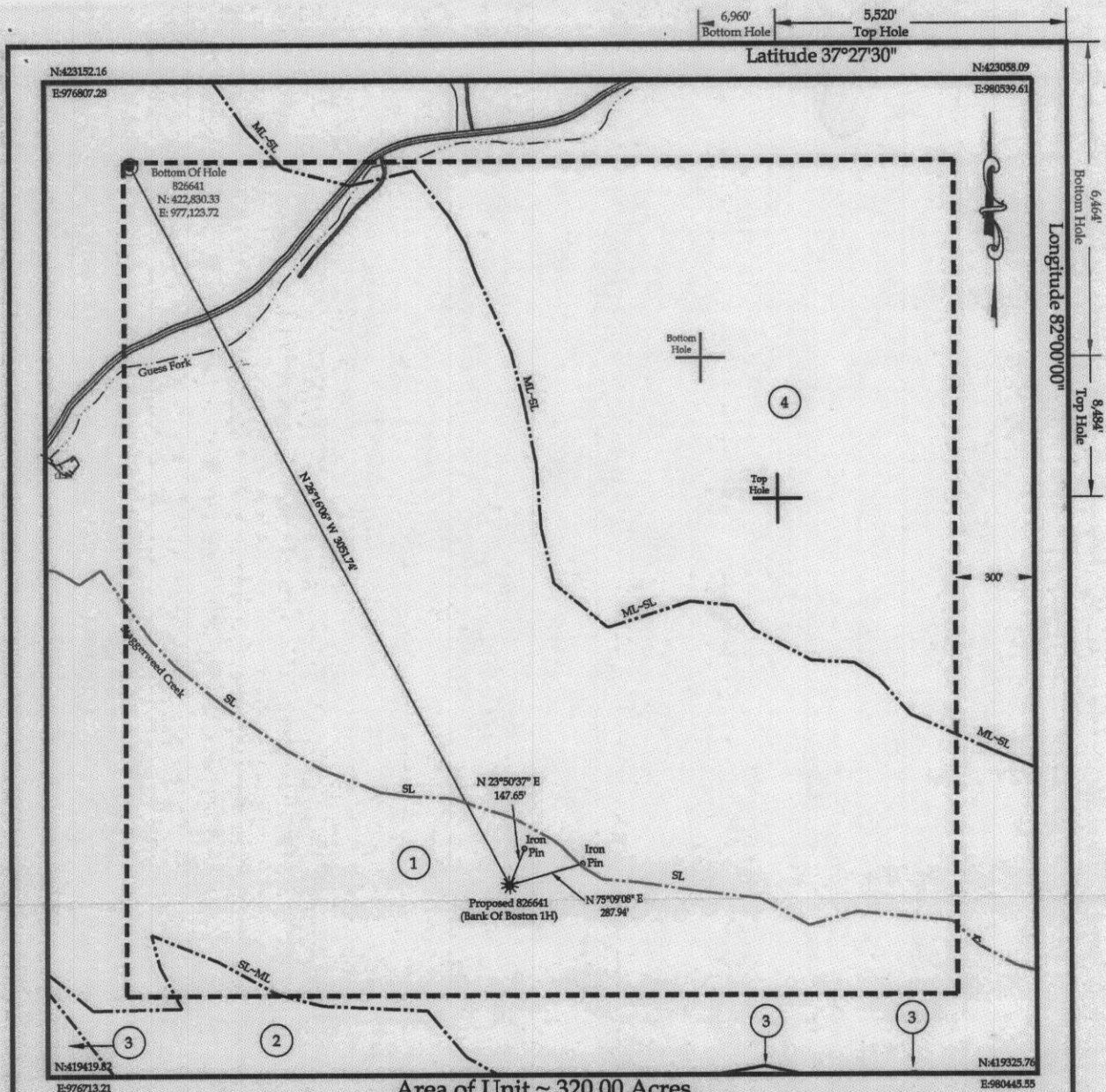
Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Chesapeake Appalachia LLC, a corporation, on behalf of the corporation, this 4<sup>th</sup> day of September, 2008.

  
\_\_\_\_\_  
Susan Peterson, Notary



My commission expires: November 12, 2008





**LBL & ASSOCIATES, PC**  
**SURVEYORS - ENGINEERS**  
 BOUNDARY - CONSTRUCTION - ENERGY - ENVIRONMENTAL - MINING  
 430 Virginia Avenue, Richmond, VA 23061  
 276-596-9646 (FAX: 276-596-9736)

#### Owner Index

(1)  
 Drill Tract  
 Surface: Knox Creek Coal Corporation, et al  
 Mineral: Buchanan Energy Co., LLC  
 (338.95 Acre Tract)  
 202.73 Ac. ~ 63.35% of 320.00 Ac.

(2)  
 Buchanan Gas Co. (11/12 Int.)  
 Buchanan Realty Co. (1/12 Int.)  
 9.99 Ac. ~ 3.12% of 320.00 Ac.

(3)  
 Buchanan Energy Co., LLC  
 1.05 Ac. ~ 0.33% of 320.00 Ac.

(4)  
 Buchanan Energy Co., LLC  
 106.23 Ac. ~ 33.20% of 320.00 Ac.

#### NOTES:

1. Property Lines Not Surveyed.
2. This Plat Shows The Proposed Well And Its Coordinates, Surface & Mineral Ownership Is Based On Information Provided By Chesapeake Appalachia, L.L.C. Or Its Contractors And Information On Record At The Buchanan County Courthouse. Information Subject To Change.
3. Well Will Be Drilled Within 10' Of Proposed Coordinates.

#### LEGEND

- ✱ Proposed Well
- ML Mineral Line
- SL Surface Line
- ✱ Existing Well

#### Top Hole

Geographic Coordinates Nad '27"  
 LAT: 37.434877 LON: -82.019042

#### Bottom Hole

Geographic Coordinates Nad '27"  
 LAT: 37.442249 LON: -82.024042

#### WELL LOCATION PLAT

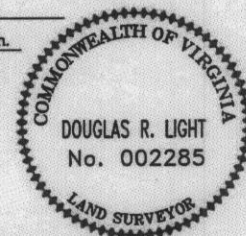
Company CHESAPEAKE APPALACHIA, L.L.C. Well Name or Number 826641 (Bank Of Boston 1H)  
 Tract No. Buchanan Energy Co., LLC Quadrange Hurley  
 District Knox  
 Well Coordinates (Virginia State Plane) N: 420,093.74 E: 978,474.35  
 Elevation: 1367.20 Method Used to Determine Elevation: Trig. Levels from GPS derived elevation.  
 County Buchanan Scale: 1" = 400' Date 11-09-07

This Plat is a new plat X; an updated plat \_\_\_\_\_; or a final location plat \_\_\_\_\_;

+ Denotes the location of a well on United States topographic maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Form DGO-GO-7  
 Rev. 1-98

*Douglas R. Light* 11-9-07  
 Licensed Professional Engineer or Licensed Land Surveyor



## EXHIBIT "B-2"

826641

## EXHIBIT B

Well No. 826641 Bank of Boston 1H

(Revised 9/4/08)

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>PERCENT INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>GROSS ACREAGE WITHIN UNIT</u>
<b>TRACTS 1,3,4 - 202.73+1.05+106.23 = 310.01 Acres in Unit</b>				
Buchanan Energy Co., LLC Attn: Teresa Thompson, Land Agent Alpha Natural Resources, LLC P.O. Box 2345 Abingdon, VA 24212	Leased*	96.878125%		310.010000
Buchanan Energy Co., LLC c/o Alpha Natural Resources, LLC P.O. Box 858 Vinton, VA 24179	Leased	2.861719%	9.157500	
Buchanan Energy Co., LLC c/o Mate Creek Engineering Office Attn: Frank Pinter P.O. Box 40 Wharnccliffe, WV 25651				
*=Force Pool for Unitization				
<b>TRACT 2 9.99 Acres in Unit</b>				
Buchanan Gas Company, LLC aka/Panther Development, Ltd. c/o John Matney 1602 Lee Highway Bristol, VA 24202	Leased	2.861719%		9.157500
Buchanan Realty Company, LLC c/o John Irvin 4710 Hunterwood Circle Richmond, TX 77469	Leased	0.260156%		0.832500
Buchanan Realty Company, LLC P.O. Box 1756 Grundy, VA 24614				
<b>TOTAL GAS ESTATE</b>		<b>100.000000%</b>		<b>320.000000</b>
Total Percentage Leased		100.000000%		
Total Acreage Leased				320.000000

INSTRUMENT 826641  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
DECEMBER 14, 2009 AT 10:43AM  
BEVERLY S. TILLER, CLERK  
RECORDED BY: GSR



**EXHIBT "B-2"**  
**826641**  
(Revised 9/4/08)

<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
	<b>Dismissed</b>		
<b>TRACT 2 9.99 Acres in Unit</b>			
Buchanan Gas Company, LLC c/o John Matney 2700 Lee Highway Bristol, VA 24202	Leased	2.861719%	9.157500

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BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB

9/7